Sony Financial Holdings

Presentation Material

Consolidated Financial Results for the Three Months Ended June 30, 2010

Sony Financial Holdings Inc.
August 12, 2010

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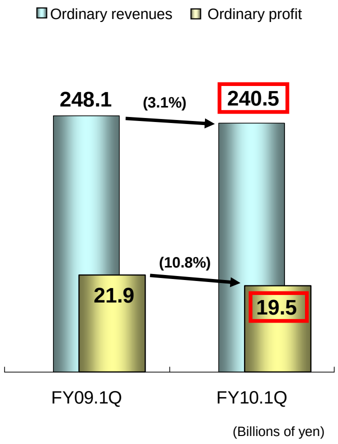
Highlights of Consolidated Operating Performance for the Three Months Ended June 30, 2010 (1)



(Billions of yen)		FY09.1Q	FY10.1Q	Change	
Life insurance business	Ordinary revenues	223.2	**214.1**	(9.1)	(4.1%)
	Ordinary profit	20.7	**18.5**	(2.2)	(10.6%)
Non-life insurance business	Ordinary revenues	17.4	**19.0**	+1.5	+8.9%
	Ordinary profit	0.9	**0.4**	(0.4)	(47.9%)
Banking business	Ordinary revenues	7.6	**7.7**	+0.0	+0.8%
	Ordinary profit	0.2	**0.5**	+0.2	+100.0%
Corporate and elimination	Ordinary revenues	(0.3)	**(0.4)**	(0.0)	–
	Ordinary profit	0.0	**0.0**	+0.0	+41.3%
Consolidated	Ordinary revenues	248.1	**240.5**	(7.5)	(3.1%)
	Ordinary profit	21.9	**19.5**	(2.3)	(10.8%)
	Net income	12.5	**10.3**	(2.1)	(17.1%)

(Billions of yen)		09.6.30	10.3.31	10.6.30	Change from 10.3.31	
Consolidated	Total assets	5,452.7	6,001.0	**6,085.4**	+84.3	+1.4%
	Net assets	231.1	269.4	**283.0**	+13.6	+5.1%

Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

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During the three months ended June 30, 2010, consolidated ordinary revenues decreased 3.1% year on year, to ¥240.5 billion. As for the breakdown by business segment, ordinary revenues from the life insurance business decreased and ordinary revenues remained roughly flat for the banking business, although ordinary revenues from the non-life insurance business increased.

Consolidated ordinary profit decreased 10.8%, to ¥19.5 billion reflecting decreases in ordinary profit from the life insurance and the non-life insurance businesses which led to a 17.1% decrease in net income from a year earlier, amounting to ¥10.3 billion.

Highlights of Consolidated Operating Performance for the Three Months Ended June 30, 2010 (2)

- Life Insurance: Ordinary revenues decreased year on year. This was because the deterioration in financial market conditions prompted a loss on separate accounts, net, compared with a gain a year earlier, although income from insurance premiums increased owing to steady increases in the new policy amount and in the policy amount in force. Ordinary profit decreased, due primarily to a change from the previous year's reversal of policy reserve for minimum guarantee for variable life insurance to a provision in the current period, resulting from the aforementioned deteriorated performance on separate account assets, despite a higher gain from investment, net, on general account assets.

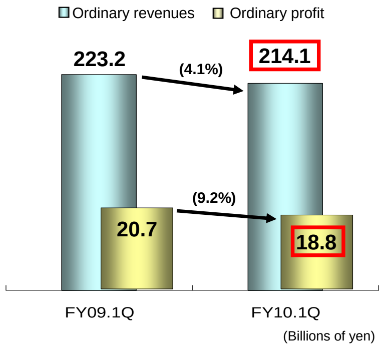
- Non-life Insurance: Ordinary revenues increased year on year, owing to an increase in net premiums written, reflecting a growing number of in-force policies primarily for automobile insurance. However, ordinary profit decreased, due to an increase in net losses paid for automobile insurance.

- Banking business: Ordinary revenues remained roughly flat year on year. Gross operating profit increased owing mainly to an increase in interest income on loans led by a growing balance of mortgage loans, and improved investment performance. Operating expenses increased owing mainly to an increase in system-related expenses. Consequently, ordinary profit increased year on year.

- Consolidated ordinary revenues decreased 3.1% year on year, to ¥240.5 billion, consolidated ordinary profit decreased 10.8%, to ¥ 19.5 billion, and consolidated net income decreased 17.1%, to ¥ 10.3 billion.

Highlights of Operating Performance: Sony Life (Non-Consolidated)

Sony Financial Holdings



- ◆Ordinary revenues and ordinary profit decreased year on year.
- ◆Income from insurance premiums increased due to an increased policy amount in force.
- ◆Investment income decreased.
- ◆Ordinary profit decreased, due primarily to a change from the previous year's reversal of policy reserve for minimum guarantee for variable life insurance to a provision in the current period, resulting from the aforementioned deteriorated performance on separate account assets, despite a higher gain from investment, net, on general account assets.

Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

(Billions of yen)	FY09.1Q	FY10.1Q	Change	
Ordinary revenues	223.2	**214.1**	(9.1)	(4.1%)
Income from insurance premiums	165.9	**182.6**	+16.7	+10.1%
Investment income	56.5	**30.3**	(26.2)	(46.4%)
Interest income and dividends	15.7	**20.5**	+4.8	+30.8%
Income from monetary trusts, net	4.1	**2.3**	(1.8)	(44.1%)
Gains on sale of securities	6.6	**7.4**	+0.8	+12.1%
Gains on separate accounts, net	28.8	**–**	(28.8)	(100.0%)
Ordinary expenses	202.4	**195.2**	(7.1)	(3.6%)
Insurance claims and other payments	66.8	**67.7**	+0.9	+1.4%
Provision for policy reserve and others	103.2	**67.2**	(35.9)	(34.8%)
Investment expenses	6.2	**32.9**	+26.7	+427.5%
Losses on sale of securities	3.6	**0.4**	(3.1)	(86.8%)
Losses on separate accounts, net	–	**30.0**	+30.0	–
Operating expenses	23.1	**23.8**	+0.7	+3.3%
Ordinary profit	20.7	**18.8**	(1.9)	(9.2%)
Net income	11.8	**10.1**	(1.6)	(13.9%)

(Billions of yen)	09.6.30	10.3.31	10.6.30	Change from 10.3.31	
Securities	2,958.4	3,539.1	**3,646.2**	+107.0	+3.0%
Policy reserves	3,694.8	3,985.6	**4,052.1**	+66.5	+1.7%
Total net assets	158.8	191.3	**205.2**	+13.9	+7.3%
Net unrealized gains/losses on other securities	17.2	15.4	**26.2**	+10.7	+69.5%
Total assets	3,918.9	4,286.5	**4,343.1**	+56.5	+1.3%
Separate account assets	312.9	373.6	**349.4**	(24.1)	(6.5%)

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Highlights of Sony Life's operating performance (non-consolidated basis) are shown here.

Sony Life's ordinary revenues decreased 4.1% year on year, to ¥214.1 billion. This was because the deterioration in financial market conditions prompted a loss on separate accounts, net, compared with a gain a year earlier, although income from insurance premiums increased owing to steady increases in the new policy amount and in the policy amount in force.

Income from insurance premiums grew 10.1% from same period of the previous fiscal year, to ¥182.6 billion, associated with a higher policy amount in force.

Investment income decreased 46.4% year on year, to ¥30.3 billion, due mainly to aforementioned loss on separate accounts, net, which offset higher interest income and dividends in line with the growing balance of ultralong-term bonds.

Investment expenses increased 427.5% year on year to ¥32.9 billion due to a loss on separate accounts, net, compared with a gain a year earlier.

Ordinary profit decreased 9.2% year on year to ¥18.8 billion, due primarily to a change from the previous year's reversal of policy reserve for minimum guarantee for variable life insurance to a provision in the current period, resulting from the aforementioned deteriorated performance on separate account assets, despite a higher gain from investment, net, on general account assets.

Consequently, net income decreased 13.9% year on year, to ¥10.1 billion.

Overview of Performance: Sony Life (Non-Consolidated)

Sony Financial Holdings

(Billions of yen)	FY09.1Q	FY10.1Q	Change
New policy amount	932.2	**1,065.3**	+14.3%
Lapse and surrender amount	543.2	**527.8**	(2.8%)
Lapse and surrender rate	1.67%	**1.58%**	(0.09pt)
Policy amount in force	32,720.8	**33,819.2**	+3.4%
Annualized premiums from new policies	16.0	**18.1**	+13.1%
Of which, third-sector products	3.9	**4.1**	+5.0%
Annualized premiums from insurance in force	552.8	**582.4**	+5.4%
Of which, third-sector products	128.3	**135.0**	+5.2%

(Billions of yen)	FY09.1Q	FY10.1Q	Change
Gains from investment, net (General account)	21.4	**27.4**	+28.2%
Core profit	16.5	**11.7**	(28.8%)
Negative spread	4.5	**2.6**	(42.2%)

	09.6.30	10.3.31	10.6.30	Change
Solvency Margin Ratio	2,264.3%	2,637.3%	**2,810.0%**	+172.7pt

Notes:
*1 Figures for new policy amount, lapse and surrender amount, lapse and surrender rate, policy amount in force, annualized premiums from new policies and annualized premiums from insurance in force are calculated as the total of individual life insurance and individual annuities.
*2 The lapse and surrender rate is calculated without offsetting policies that are reinstated.

(Reasons for changes)

- Increased, due mainly to favorable sales of a discount rider for family income insurance for nonsmokers and other people in excellent health, which trend has continued since the second half of FY09.
- Decreased due to the lowering lapse and surrender rates in most products, mainly for term life insurance and variable insurance.
- Increased, owing mainly to favorable sales of cancer hospitalization insurance and living benefit insurance.
- Increased due primarily to an increase in interest income and dividends.
- Declined owing primarily to a change from the previous year's reversal of policy reserve for minimum guarantee for variable life insurance to a provision in the current period, despite increases in income from insurance premiums and in interest income and dividends.
- Rose owing mainly higher unrealized gains.

Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

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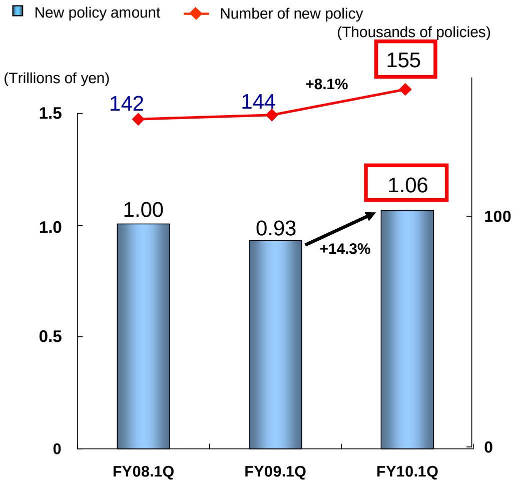
Here is an overview Sony Life's performance.

Sony Life Operating Performance (1)

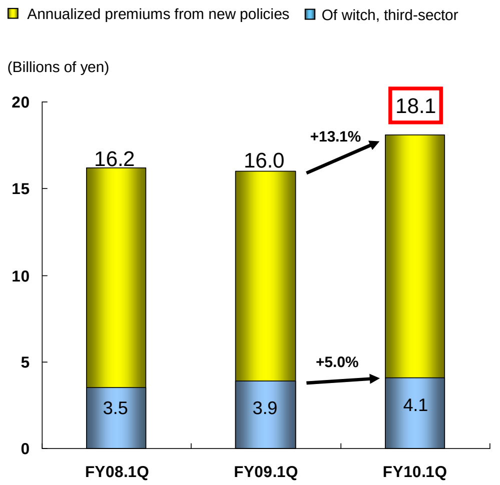
Sony Financial Holdings

New Policy Amount (Individual Life Insurance + Individual Annuities)



Line item amounts are truncated below ¥10 billion; numbers of policies are truncated below 1,000 policies; percentage change figures are rounded.

Annualized Premiums from New Policies (Individual Life Insurance + Individual Annuities)



Line item amounts are truncated below ¥100 million; percentage figures are rounded.

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(Left-hand graph)

New policy amount for the total of individual life insurance and individual annuities increased 14.3% year on year, to ¥1.06 trillion, owing to favorable sales of a discount rider for family income insurance for nonsmokers and other people in excellent health, which trend has continued since the second half of FY09.

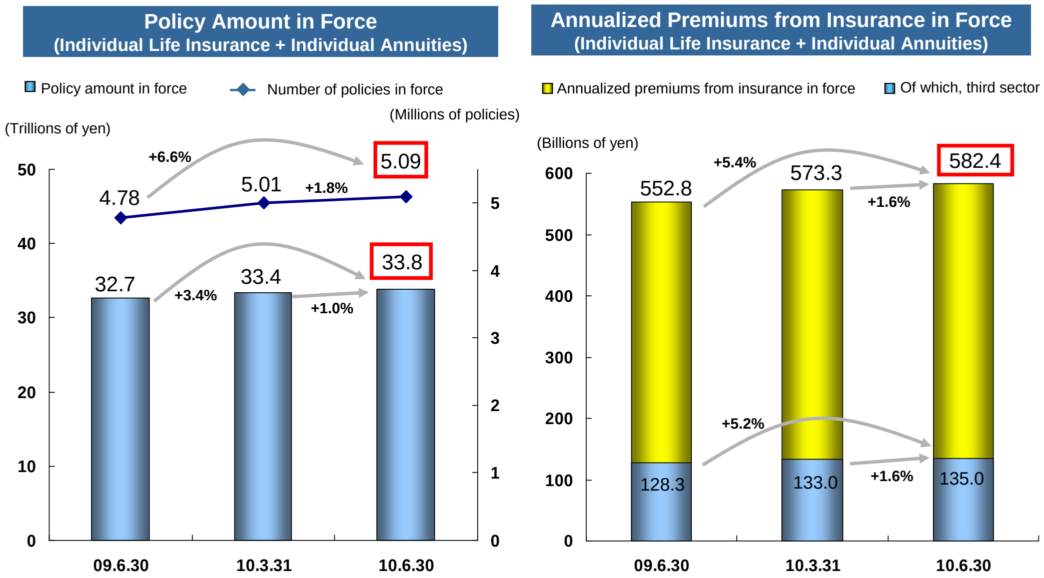
The number of new policies increased 8.1% year on year, to 155 thousand policies.

(Right-hand graph)

Annualized premiums from new policies increased 13.1%, to ¥18.1 billion, owing mainly to favorable sales of cancer hospitalization insurance and living benefit insurance. Of this amount, the figure for third-sector products was ¥4.1 billion, up 5.0% year on year.

Sony Life Operating Performance (2)

Sony Financial Holdings



Line item amounts are truncated below ¥100 billion; numbers of policies are truncated below 10,000 policies; percentage change figures are rounded.

Line item amounts are truncated below ¥100 million; percentage figures are rounded

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(Left-hand graph)

Policy amount in force for the total of individual life insurance and individual annuities grew steadily, to ¥33.8 trillion as of June 30, 2010, up 3.4% from June 30, 2009 and up 1.0% from March 31, 2010. The number of policies in force increased 6.6% from June 30, 2009 and up 1.8% from March 31, 2010, to 5.09 million policies.

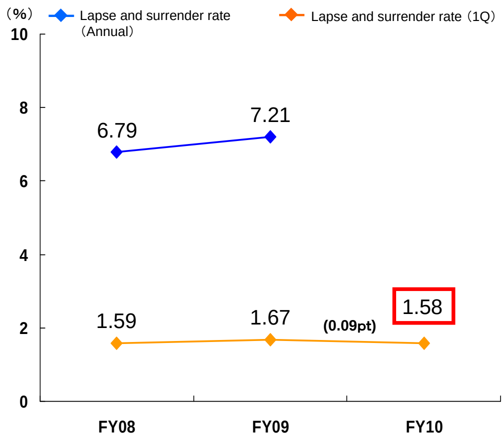
(Right-hand graph)

Annualized premiums from total policies as of June 30, 2010, were up 5.4% from June 30, 2009 and up 1.6% from March 31, 2010, totaling ¥582.4 billion. Of this amount, the figure for third-sector products was up 5.2% from June 30, 2009 and up 1.6% from March 31, 2010, to ¥135.0 billion.

Sony Life Operating Performance (3)

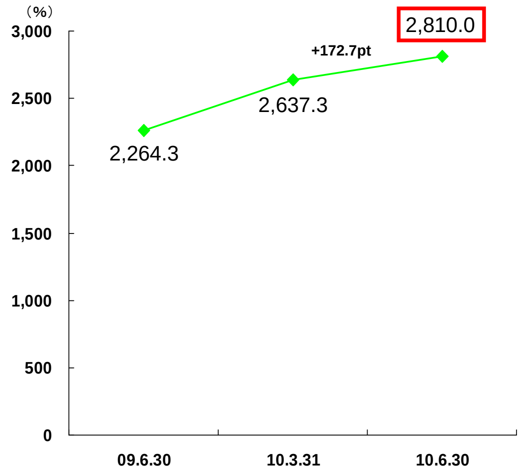
Sony Financial Holdings

Lapse and Surrender Rate*
(Individual Life Insurance + Individual Annuities)
<Annual･1Q>



*Figures for lapse and surrender rates are calculated without offsetting policies that are reinstated.

Solvency Margin Ratio



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(Left-hand graph)

The lapse and surrender rate for the three months ended June 30, 2010 decreased 0.09 percentage point year on year, to 1.58%, due to the lowering lapse and surrender rates in most products. For the same period of the last fiscal year, the lapse and surrender rates mainly for term life insurance and variable insurance rose due to the economic recession.

The lapse and surrender rate for family income insurance rose for the second half of the last fiscal year, reflecting the impact of individual customers conversion to discount rider launched in November 2009 for nonsmokers and other people in excellent health. However it has declined in the current period.

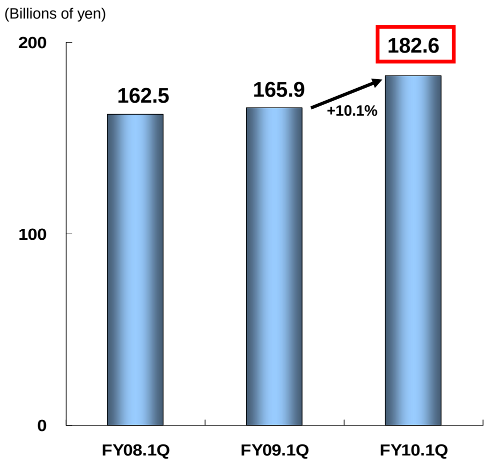
(Right-hand graph)

As of June 30, 2010, Sony Life's solvency margin ratio was 2,810.0%, up 172.7 percentage points from March 31, 2010.

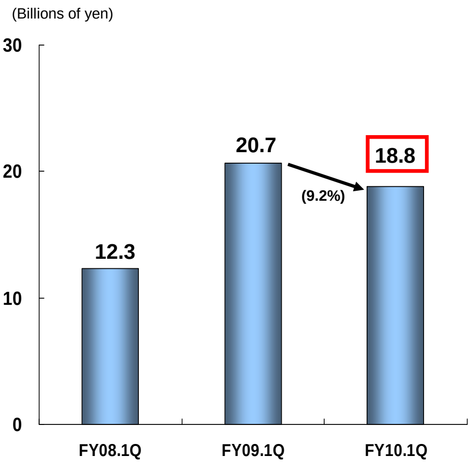
Sony Life Operating Performance (4)

Sony Financial Holdings

Income from Insurance Premiums



Ordinary Profit



Line item amounts are truncated below ¥100 million; percentage figures are rounded.

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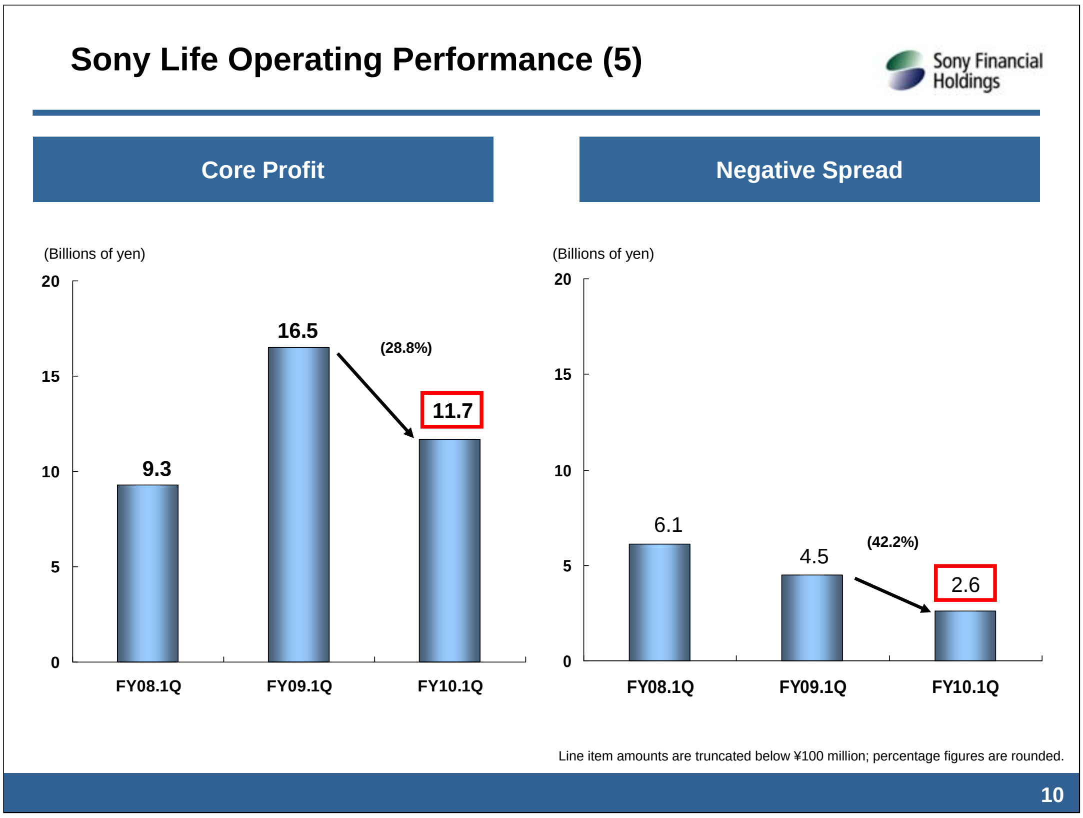
(Left-hand graph)

Income from insurance premiums increased 10.1% year on year to ¥182.6 billion, associated with a steady increase in policy amount in force.

(Right-hand graph)

Ordinary profit decreased 9.2% year on year, to ¥18.8 billion.



(Left-hand graph)

Core profit was down 28.8% year on year, to ¥11.7 billion, due primarily to a change from the previous year's reversal of policy reserve for minimum guarantee for variable life insurance to a provision in the current period, despite increases in income from insurance premiums and in interest income and dividends.

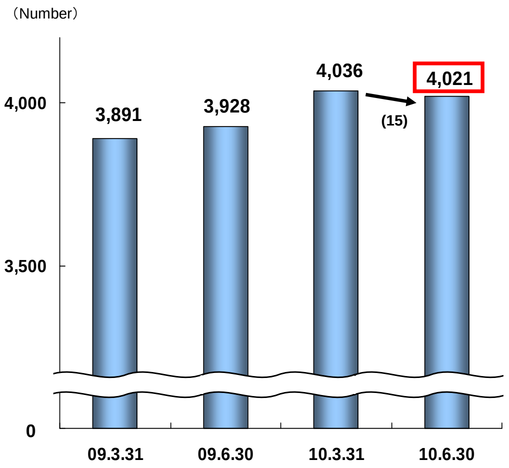
(Right-hand graph)

In line with the increase in interest income and dividends, the negative spread declined 42.2% year on year, to ¥2.6 billion.

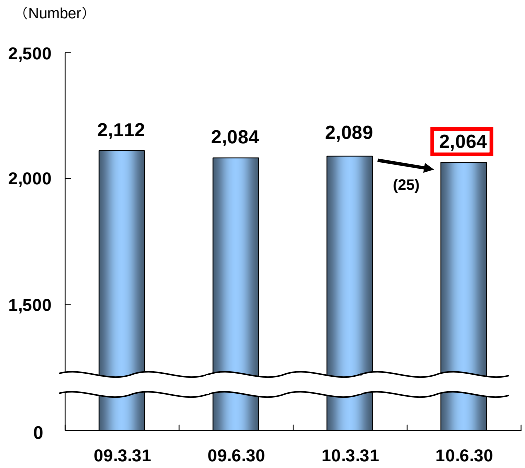
Sony Life Operating Performance (6)

Sony Financial Holdings

Number of Lifeplanner Sales Employees



Number of Independent Agents



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(Left-hand graph)

The number of Lifeplanner sales employees as of June 30, 2010, was 4,021, down 15 from March 31, 2010. This decrease was the result of a higher number of resignations and a lower number of new recruits due to the revised recruitment standards.

(Right-hand graph)

The number of independent agents decreased 25 from March 31, 2010, to 2,064.

Sony Life Operating Performance (7)

Sony Financial Holdings

Breakdown of General Account Assets (Based on the real status)

(Billions of yen)	10.3.31		10.6.30	
	Amount	%	Amount	%
Japanese government and corporate bonds (excl. CBs)	3,310.4	84.6%	3,466.3	86.8%
CBs	13.2	0.3%	—	—
Japanese stocks	72.5	1.9%	63.5	1.6%
Foreign securities	75.2	1.9%	69.3	1.7%
Policyholder loans	127.5	3.3%	128.9	3.2%
Real estate	79.9	2.0%	79.7	2.0%
Cash and call loans	116.4	3.0%	87.5	2.2%
Other	117.4	3.0%	98.3	2.5%
Total	3,912.9	100.0 %	3,993.7	100.0 %

<Asset management review>

- **Japanese government and corporate bonds: Continuously accumulated ultralong-term bonds for 1Q FY10.**

<Lengthened assets duration>

09.3.31	13.6 years
10.3.31	17.6 years
10.6.30	18.0 years

- **CBs: No balance (as of June 30, 2010)**
- **Japanese stocks: Maintained the ratio of stock holding at the end of March, 2009.**

Amounts for individual items included in monetary trusts (Japanese government and corporate bonds, CBs, Japanese stocks and other) have been broken down into their original investment categories.

* The breakdowns shown at left are different from those shown in Chapter 2, "Status of Investment of Assets (General Account Assets)" on page 3 of the "Summary Information on Sony Life's Financial Results for the Three Months Ended June 30, 2010," announced by Sony Life.

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Here is a breakdown of Sony Life's general account assets as of June 30, 2010, compared with March 31, 2010.

Amounts for individual items included in monetary trusts (Japanese government bonds and corporate bonds, CBs, Japanese stocks and other) have been broken down into their original investment categories, aiming at showing the portfolio breakdown based on the real status.

As Sony Life increased its investment in ultralong-term bonds, mainly Japanese government and corporate bonds, that ratio rose year on year to 86.8%. On the other hand, the ratio of holding Japanese stocks remained roughly flat and the balance of CBs as of June 30, 2010 became zero.

As a result of lengthening assets duration, it became 18.0 years as of June 30, 2010.

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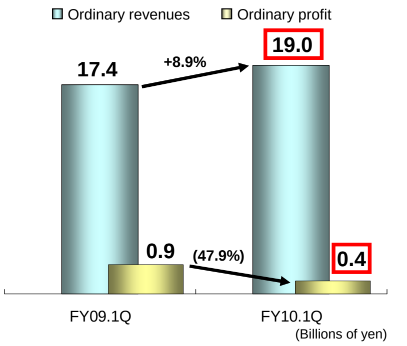
Highlights of Operating Performance: Sony Assurance

Sony Financial Holdings



◆Ordinary revenues increased, but ordinary profit decreased, year on year.

◆Ordinary revenues amounted to ¥19.0 billion, up 8.9% year on year. This was because net premiums written increased, owing to a growing number of in-force policies primarily for automobile insurance.

◆Ordinary profit amounted to ¥0.4 billion, down 47.9% year on year, due mainly to an increase in net losses paid for automobile insurance, which offset the positive impact of increased ordinary revenues.

(Billions of yen)	FY09.1Q	FY10.1Q	Change	
Ordinary revenues	17.4	**19.0**	+1.5	+8.9%
Underwriting income	17.3	**18.8**	+1.5	+9.0%
Investment income	0.1	**0.1**	+0.0	+5.0%
Ordinary expenses	16.5	**18.5**	+1.9	+12.0%
Underwriting expenses	12.6	**14.3**	+1.7	+13.8%
Investment expenses	0.0	**–**	(0.0)	(100.0%)
Operating, general and administrative expenses	3.9	**4.1**	+0.2	+6.3%
Ordinary profit	0.9	**0.4**	(0.4)	(47.9%)
Net income	0.6	**0.2**	(0.3)	(53.1%)

(Billions of yen)	09.6.30	10.3.31	**10.6.30**	Change from 10.3.31	
Underwriting reserves	53.8	58.1	**61.3**	+3.1	+5.5%
Total net assets	14.4	15.4	**15.7**	+0.2	+1.9%
Net unrealized gains/losses on other securities (net of taxes)	(0.0)	0.0	**0.0**	+0.0	+23.5%
Total assets	90.1	98.3	**101.3**	+3.0	+3.1%

Line item amounts are truncated below ¥100 million *excluding Net unrealized gains/losses on other securities (net of taxes); percentage change figures are rounded.

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Sony Assurance posted a 8.9% increase in ordinary revenues year on year, to ¥19.0 billion, due to increased net premiums written, as the number of insurance policies in force grew for strong sales of new policies in its mainstay automobile insurance.

Ordinary profit decreased 47.9% year on year, to ¥0.4 billion, due mainly to an increase in net losses paid for automobile insurance, resulting mainly from a rising number of car accidents, which offset the positive impact of increased ordinary revenues.

Net income decreased 53.1% year on year, to ¥0.2 billion.

Overview of Performance: Sony Assurance

Sony Financial Holdings

(Reasons for changes)

(Billions of yen)	FY09.1Q	**FY10.1Q**	**Change**
Direct premiums written	17.2	**18.7**	+8.6%
Net premiums written	17.3	**18.8**	+9.0%
Net losses paid	8.0	**9.2**	+15.6%
Underwriting profit	0.7	**0.3**	(58.1%)
Net loss ratio	52.0%	**55.2%**	+3.2pt
Net expense ratio	24.6%	**23.9%**	(0.7pt)
Combined ratio	76.5%	**79.1%**	+2.6pt

Net expense ratio is equal to the ratio of total underwriting costs to net premiums written.
Net loss ratio is equal to the ratio of net losses paid and loss adjustment expenses to net premiums written.

- Increased, owing to an increase in the number of policies in force for automobile insurance.
- Increased, owing to an increase in the number of policies in force for automobile insurance as well as rising number of car accidents.
- Decreased, due to increased net premiums written which offset the negative impact of an increase in underwriting costs
- Increased steadily, refracting an increase in the number of policies in force for automobile insurance.

	09.6.30	10.3.31	**10.6.30**	Change from 10.3.31	
Number of policies in force	1.19 million	1.27 million	**1.30 million**	+0.03 million	+2.4%
Solvency margin ratio	1,020.1%	1,018.5%	**1,029.7%**	+11.2pt	

The number of policies in force is the total of automobile insurance and medical and cancer insurance, which accounts for 99% of net premiums written.

Line item amounts are truncated below ¥ 100 million; numbers of policies are truncated below 10,000 policies; percentage change figures are rounded.

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Here is an overview of Sony Assurance’s performance.

Sony Assurance's Underwriting Performance by Type of Policy

Sony Financial Holdings

Direct Premiums Written

(Millions of yen)	FY09.1Q	FY10.1Q	Change
Fire	71	**31**	(56.4%)
Marine	–	**–**	–
Personal accident*	1,708	**1,767**	+3.4%
Voluntary automobile	15,473	**16,938**	+9.5%
Compulsory automobile liability	–	**–**	–
Total	17,253	**18,737**	+8.6%

Net Premiums Written

(Millions of yen)	FY09.1Q	FY10.1Q	Change
Fire	3	**1**	(45.3%)
Marine	2	**3**	+40.7%
Personal accident*	1,780	**1,824**	+2.5%
Voluntary automobile	15,415	**16,871**	+9.4%
Compulsory automobile liability	99	**158**	+59.9%
Total	17,301	**18,860**	+9.0%

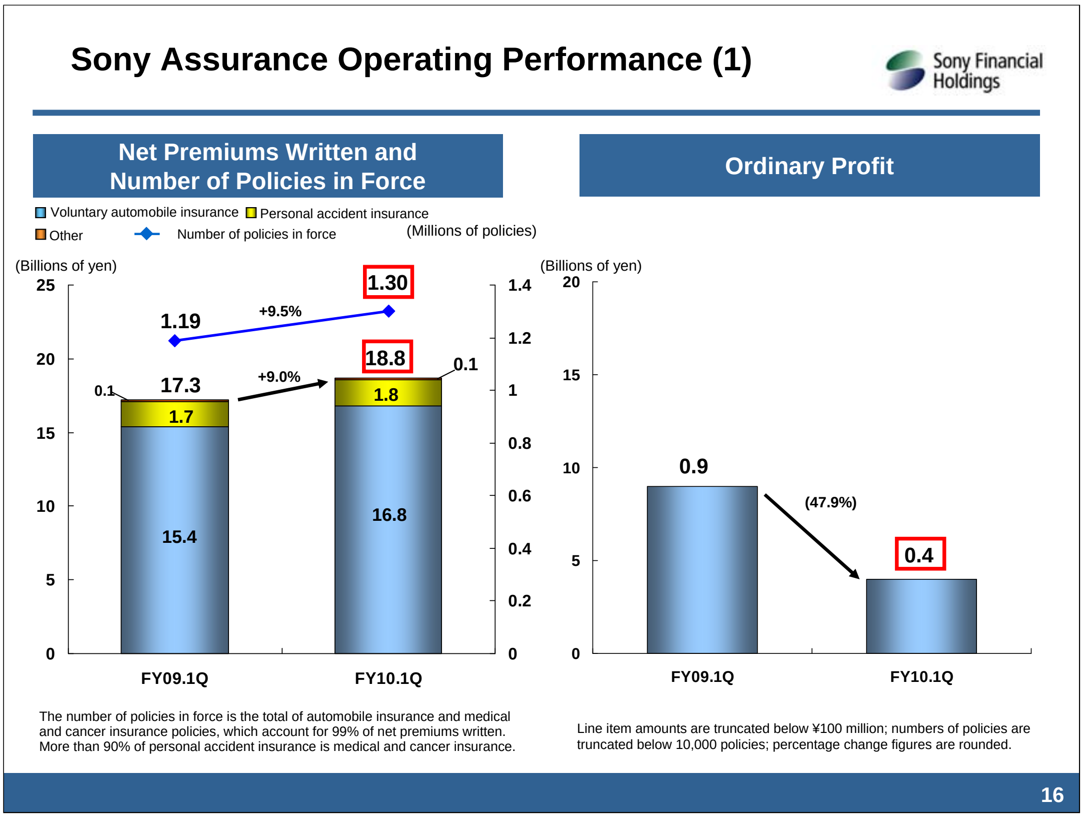
Net losses paid

(Millions of yen)	FY09.1Q	FY10.1Q	Change
Fire	0	**0**	+49.7%
Marine	0	**3**	+260.8%
Personal accident*	348	**378**	+8.5%
Voluntary automobile	7,538	**8,732**	+15.8%
Compulsory automobile liability	126	**153**	+21.5%
Total	8,014	**9,266**	+15.6%

*SURE, medical and cancer insurance is includes in Personal accident.

Line item amounts are truncated below ¥ 1 million;
Percentage change figures are rounded.

This slide shows direct premiums written, net premiums written and net losses paid by type.



(Left-hand graph)

Number of policies in force for the total of accident insurance such automobile insurance and medical and cancer insurance increased steadily, rising 9.5% year on year, to 1.30 million policies.

Net premiums written posted a 9.0% year-on-year increase, to ¥18.8 billion.

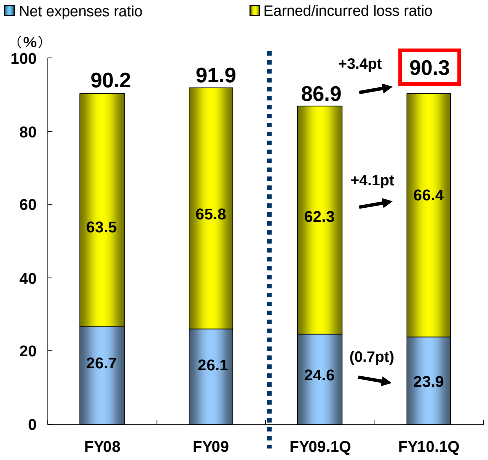
(Right-hand graph)

Ordinary profit decreased 47.9% year on year, to ¥0.4 billion due mainly to an increase in net losses paid for automobile insurance, which offset the positive impact of increased ordinary revenues.

Sony Assurance Operating Performance (2)

Sony Financial Holdings

Net Expense Ratio + Earned/Incurred Loss Ratio

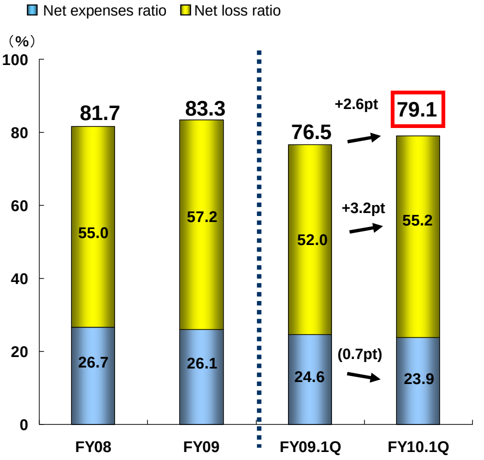


Earned/incurred loss ratio is equal to the ratio of the sum of net losses paid, loss adjustment expenses and accumulation in provision for reserve for outstanding losses to earned premiums.

*Note that earthquake insurance and compulsory automobile liability insurance are excluded from the above calculation.

Reference

Combined Ratio (Net Expense Ratio + Net Loss Ratio)



Net expense ratio is equal to the ratio of total underwriting costs to net premiums written. Net loss ratio is equal to the ratio of net losses paid and loss adjustment expenses to net premiums written.

17

(Left-hand graph)

To help you understand the actual condition of Sony Assurance, which is in a growth phase, we show the earned/incurred loss ratio, which is the accrual-basis loss ratio. For the three months ended June 30, 2010, the earned/incurred loss ratio increased 4.1 percentage points year on year, to 66.4%, due to an increase in net losses paid resulting mainly from a rising number of car accidents.

The net expense ratio dropped 0.7 percentage point, to 23.9%, resulting from an increase in net premiums written, and expense control.

(Right-hand graph)

The net loss ratio rose 3.2 percentage points compared with the same period of the previous fiscal year, to 55.2%, due to the aforementioned increase in net losses paid.

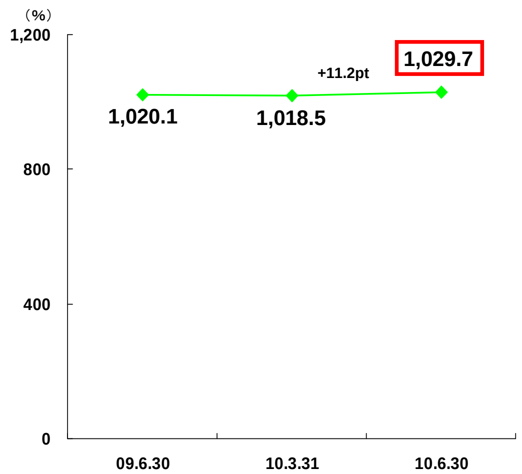
This is different from the earned/incurred loss ratio, which reflects an increase or a decrease in provision for reserve for outstanding losses.

As a result, the combined ratio (the sum of the net loss ratio and the net expense ratio) rose 2.6 percentage points year on year, to 79.1%.

Sony Assurance Operating Performance (3)

Sony Financial Holdings

Solvency Margin Ratio



Note: The figure above is calculated based on the Insurance Business Law Enforcement Regulations and Ministry of Finance Announcement.
A portion of the figures as of June 30, 2009, and June 30, 2010, are calculated according to the simplified methods judged rational by Sony Assurance.

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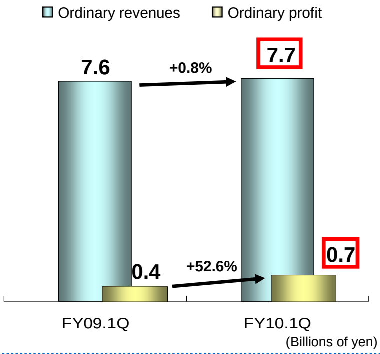
As of June 30, 2010, Sony Assurance's solvency margin ratio was 1,029.7%, up 11.2 percentage points from March 31, 2010. These figures show that Sony Assurance has maintained financial soundness.

Highlights of Operating Performance: Sony Bank (Non-Consolidated)

Sony Financial Holdings



(Billions of yen)	FY09.1Q	FY10.1Q	Change	
Ordinary revenues	7.6	**7.7**	+0.0	0.8%
Gross operating profit	3.2	**4.0**	+0.7	+24.0%
Net interest income	3.2	**3.1**	(0.0)	(2.5%)
Net fees and commissions	0.03	**0.06**	+0.02	+69.4%
Net other operating income	(0.01)	**0.8**	+0.8	–
General and administrative expenses	2.7	**3.1**	+0.4	+16.1%
Ordinary profit	0.4	**0.7**	+0.2	+52.6%
Net income	0.2	**0.3**	+0.0	+32.4%
Net operating profit	0.5	**0.8**	+0.2	+52.4%

◆Ordinary revenues remained flat and ordinary profit increased year on year.
◆Gross operating profit increased ¥0.7 billion year on year due to an increase in net other operating income.
- Net interest income slightly decreased due mainly to increased interest expenses on derivatives held for hedging purpose for mortgage loans despite higher interest income on loans.
- Net other operating income increased ¥0.8 billion, mainly reflecting improved investment performance.

◆Net operating profit increased ¥0.2 billion year on year despite an increase in operating expense of ¥0.4 billion.
◆Customer assets increased ¥2.9 billion from March 31, 2010, of which deposit balance increased ¥7.0 billion.

(Billions of yen)	09.6.30	10.3.31	10.6.30	Change from 10.3.31	
Securities	807.8	880.1	**903.0**	+22.9	+2.6%
Loans	510.8	586.6	**600.9**	+14.2	+2.4%
Deposits	1,330.9	1,510.0	**1,517.1**	+7.0	+0.5%
Customer assets	1,423.7	1,610.0	**1,613.0**	+2.9	+0.2%
Total net assets	53.2	58.9	**58.2**	(0.7)	(1.3%)
Net unrealized gains/losses on other securities (net of taxes)	(3.1)	0.9	**1.0**	+0.1	+14.3%
Total assets	1,438.6	1,612.1	**1,637.3**	+25.1	+1.6%

Line item amounts are truncated below ¥100 million excluding net fees and commissions, and net other operating income; percentage change figures are rounded.

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Highlights of Sony Bank's operating performance (non-consolidated basis) are shown here.

Sony Bank's ordinary revenues increased 0.8% year on year, to ¥7.7 billion, owing to an increase in interest income on loans led by a growing balance of mortgage loans, and improved investment performance.

Gross operating profit increased 24.0% from a year earlier, to ¥4.0 billion, due to an increase in net other operating income. This increase was mainly because a loss from derivatives, net, recorded in the same period of the previous fiscal year, was absent this period.

General and administrative expenses expanded 16.1% year on year, to ¥3.1 billion, due mainly to an increase in system-related expenses.

As a result, ordinary profit increased ¥52.6%, to ¥0.7 billion. Net income amounted to ¥0.3 billion, up 32.4% from the same period of the previous fiscal year.

Overview of Performance:
Sony Bank (Non-Consolidated) (1)

Sony Financial Holdings

(Billions of yen)	09.6.30	10.3.31	10.6.30	Change from 10.3.31	
Customer assets	1,423.7	1,610.0	**1,613.0**	+2.9	+0.2%
Deposits	1,330.9	1,510.0	**1,517.1**	+7.0	+0.5%
Yen	1,032.7	1,184.9	**1,189.1**	+4.1	+0.4%
Foreign currency	298.2	325.0	**327.9**	+2.9	+0.9%
Investment trusts	92.7	100.0	**95.9**	(4.0)	(4.1%)
Loans	510.8	586.6	**600.9**	+14.2	+2.4%
Mortgage loans	502.3	555.1	**562.4**	+7.3	+1.3%
Others	8.5	31.5	38.4*1	+6.9	+21.9%
Number of accounts (thousands)	736	796	**809**	+12	+1.6%
Capital adequacy ratio(*2) (domestic criteria)	13.41%	12.09%	**12.20%**	+0.11pt	

(Reasons for changes)

- Customer assets increased ¥2.9 billion from March 31, 2010, of which total of deposit increased ¥7.0 billion. Foreign currency Deposit increased ¥2.9 billion under the circumstance where sharp hike in the yen might have the negative impact on the foreign exchange conversion.
- Investment trusts decreased reflecting a decline in reference price
- Loan balance steadily increased due to increases in mortgage loans and corporate lending centering on syndicated loans.

*1 Loans in others include syndicated loans of ¥30.2 billion.

*2 Please refer to the graph of the non-consolidated capital adequacy ratio (domestic criteria) on P24.

Line item amounts are truncated below ¥100 million; numbers of accounts are truncated below 1,000 accounts; percentage change figures are rounded.

Here is an overview of Sony Bank’s performance.

Overview of Performance:
Sony Bank (Non-Consolidated) (2)

Sony Financial Holdings

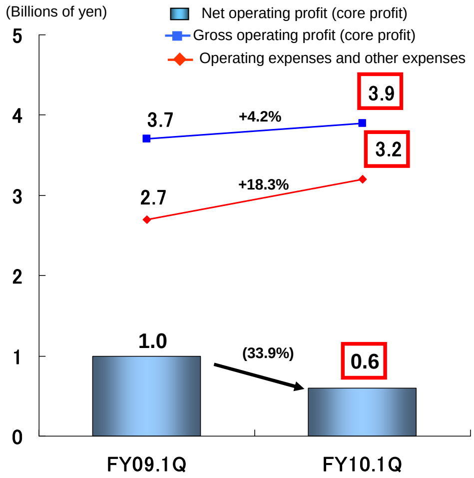
■<Reference> On an Internal Control Basis

	FY09.1Q	FY10.1Q	Change	
Gross operating profit	3.2	4.0	+0.7	+24.0%
Net interest income [*1] ①	3.3	3.4	+0.1	+3.7%
Net fees and commissions [*2] ②	0.3	0.4	+0.0	+9.0%
Net other operating income [*3]	(0.4)	0.1	+0.6	–
Gross operating profit (core profit) (A) = ①+②	3.7	3.9	+0.1	+4.2%
Operating expenses and other expenses ③	2.7	3.2	+0.5	+18.3%
Net operating profit (core profit) = (A)−③	1.0	0.6	(0.3)	(33.9%)

●On an Internal Control Basis
The following adjustments are made to the figures on a financial accounting basis to account for profits and losses more appropriately.
*1: Net interest income: Includes profits and losses associated with fund investment recorded in net other operating income, including gains or losses from currency swap transactions.
*2: Net fees and commissions: Includes profits and losses for customer dealings in foreign currency transactions recorded in net other operating income.
*3: Net other operating income: After the above adjustment (*1 and *2), consists of profits and losses for bond and derivative dealing transactions.

●Core profit
Profits and losses exclude net other operating income which includes those for bond and derivative dealing transactions, and stands for Sony Bank's basic profits.

<Reference>
Net Operating Profit (Core Profit), Operating Expenses and Other Expenses & Gross Operating Profit (Core Profit)



Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

21

The internal control basis is a method we use to describe profit conditions more appropriately.

(Left-hand table)

Net interest income on an internal control basis increased ¥0.1 billion year on year, to ¥3.4 billion, due mainly to an increase in interest income on loans reflecting the growing balance of mortgage loans.

Net fees and commissions amounted to ¥0.4 billion, up by ¥30 million, owing primarily to an increase in handling fees for foreign exchange margin trading.

Net other operating income amounted to a gain of ¥ 0.1 billion, compared with a loss of ¥0.4 billion for the same period of the previous fiscal year. This increase was mainly because a loss from derivatives, net, recorded a year earlier, was absent this period.

Consequently, gross operating profit on a core profit basis, an indicator of the changes in Sony Bank's basic profitability, increased ¥0.1 billion year on year, to ¥3.9 billion. This figure is calculated as the sum of net interest income and net fees and commissions on an internal control basis.

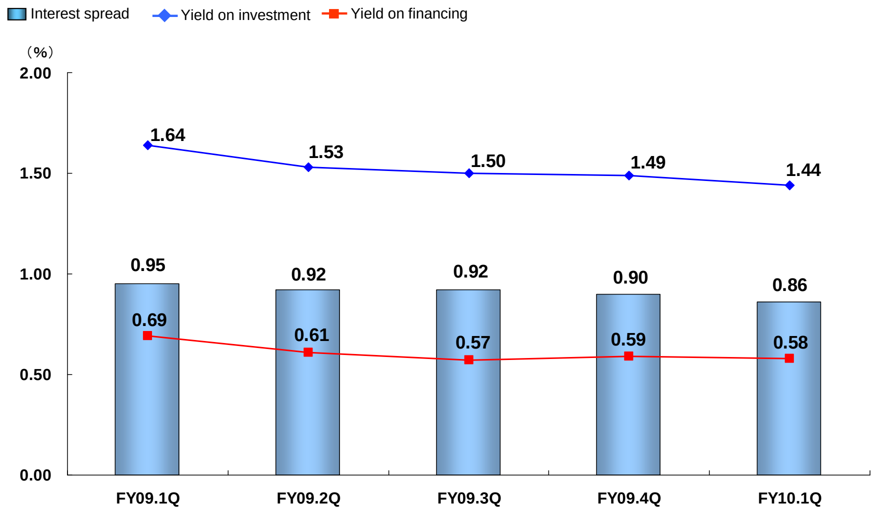
(Right-hand graph)

Net operating profit on a core profit basis decreased ¥0.3 billion year on year, to ¥0.6 billion, due to an increase in operating expenses and other expenses.

Sony Bank Operating Performance (1)

Sony Financial Holdings

<Reference> Interest Spread (Internal Control Basis)



Notes: Interest spread = Yield on investment – Yield on financing
Yield on investment includes primarily gains or losses from currency swap transactions in net other operating income.

22

This chart shows the interest spread on an internal control basis.

The yield on investment slightly decreased for the three months ended June 30, 2010, due to the lowering of interest rates around the world.

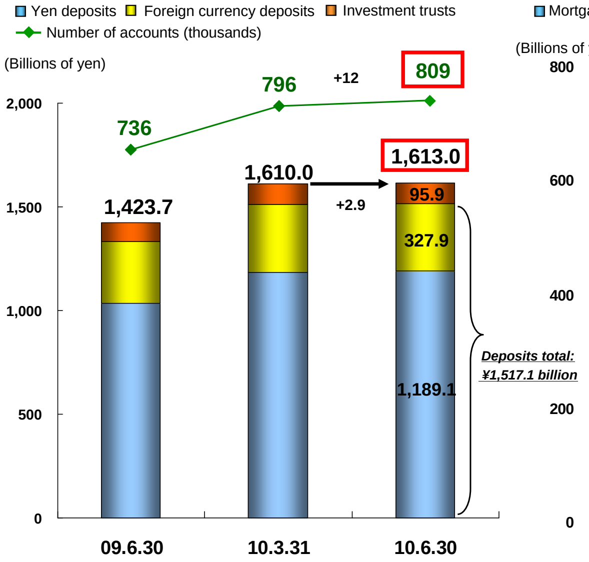
The yield on financing has been staying at the same level.

As a result, the interest spread in this period became 0.86%.

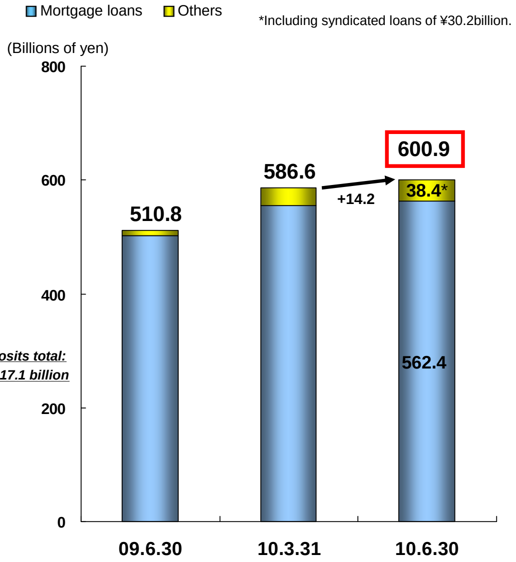
Sony Bank Operating Performance (2)

Sony Financial Holdings

Customer Assets (Deposits + Investment Trusts) **and Number of Accounts**



Loans



Line item amounts are truncated below ¥100 million; number of accounts are truncated below 1,000 accounts.

23

(Left-hand graph)

As of June 30, 2010, customer assets (the sum of deposits and investment trusts) were up ¥2.9 billion from March 31, 2010, to ¥1,613.0 billion.

As for the breakdown of customer assets as of June 30, 2010, deposits (the sum of Japanese yen and foreign currency deposits) amounted to ¥1,517.1 billion, up ¥7.0 billion from March 31, 2010. Of which foreign currency deposit increased ¥2.9 billion under the circumstance where sharp hike in the yen might have the negative impact on the foreign exchange conversion.

Investment trusts were ¥95.9 billion, down ¥4.0 billion from March 31, 2010.

As of June 30, 2010, the number of accounts was 809 thousand, up 12 thousand accounts from March 31, 2010.

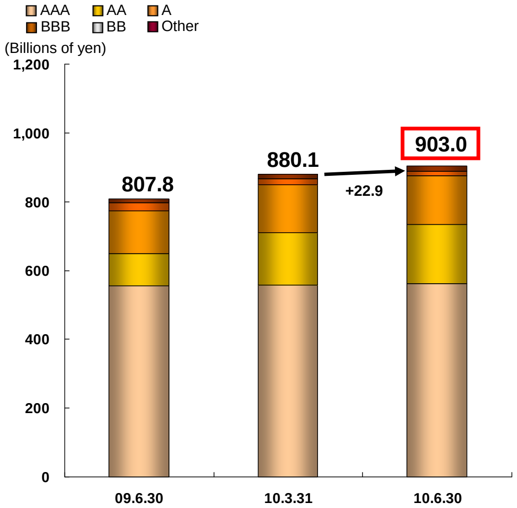
(Right-hand graph)

Loans expanded to ¥600.9 billion, up ¥14.2 billion, from March 31, 2010, owing to a growing balance of mortgage loans, as well as an increase in corporate loans.

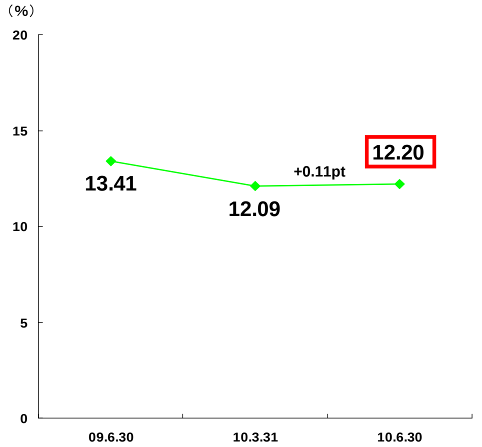
Sony Bank Operating Performance (3)

Sony Financial Holdings

Balance of Securities by Credit Ratings



Non-Consolidated Capital Adequacy Ratio (Domestic Criteria)



* Sony Bank's non-consolidated capital adequacy ratio was calculated based on the standard stipulated by Article 14-2 of the Banking Law of Japan, in accordance with Financial Services Agency of Japan ("FSA") public ministerial announcement No. 19 of 2006. The capital adequacy ratio as of and after December 31, 2008, newly adopted the special exception of the standard mentioned above, in accordance with the FSA public ministerial announcement No. 79 of 2008.

Amounts are truncated below ¥100 million.

24

(Left-hand graph)

As of June 30, 2010, the balance of securities increased ¥22.9 billion, to ¥903.0 billion from March 31, 2010.

Sony Bank continuously invests in highly rated bonds.

(Right-hand graph)

As of June 30, 2010, Sony Bank's non-consolidated capital adequacy ratio (domestic criteria) was 12.20%, up 0.11 percentage point from March 31, 2010. These figures indicate that Sony Bank has maintained a sound financial basis.

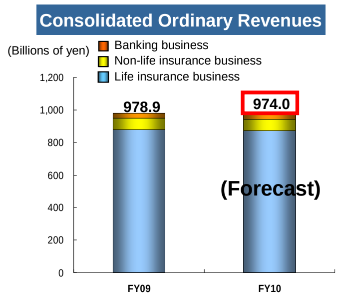
Consolidated Financial Forecast for the Year Ending March 31, 2011

Sony Financial Holdings

(Billions of yen; amounts are truncated below ¥100 million; percentage changes are rounded.)

	FY09	FY10.1H (Forecast)	FY10 (Forecast)	Change FY10 forecast vs. FY09 actual
Consolidated ordinary revenues	978.9	483.0	974.0	(0.5%)
Life insurance business	882.0	432.1	871.3	(1.2%)
Non-life insurance business	68.1	36.5	72.7	+ 6.6 %
Banking business	30.5	14.8	30.6	+ 0.3%
Consolidated ordinary profit	84.3	41.0	74.0	(12.3%)
Life insurance business	79.7	39.6	69.6	(12.8%)
Non-life insurance business	2.5	0.7	2.2	(14.2%)
Banking business	1.9	1.2	2.8	+ 45.2%
Consolidated net income	48.1	23.0	40.0	(16.9%)

※SFH's consolidated financial forecasts for the six months ending September 30, 2010 and for the fiscal year ending March 31, 2011, are unchanged from those announced on May 13, 2010.



■Life insurance business

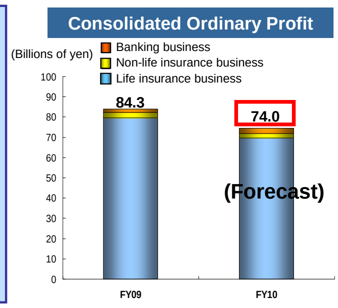
Ordinary revenues for FY10 are expected to slightly decrease, as we expect a decrease in investment income compared with that of FY09 which reflected a recovery in the financial market conditions, though we expect an increase in income from insurance premiums in line with the steady growth of policy amount in force. We expect ordinary profit to decrease, due mainly to a decrease in gains on sale of securities held and an increase in insurance claims and other payments.

■Non-life insurance business

Ordinary revenues for FY10 are expected to rise, as we expect steady business expansion, mainly in its mainstay automobile insurance. Despite an expected increase in ordinary revenues, ordinary profit is expected to decrease due mainly to an expected rise in the loss ratio, as well as an expense ratio in line with the planned reinforcement of the corporate system and infrastructure based on the expected expansion of its business operations.

■Banking Business

Ordinary revenues for FY10 are expected to slightly increase, as interest income is expected to rise due to expanding business operations, although an influence of the worldwide reductions in interest rates still remains. Ordinary profit is expected to grow, as gross operating profit, especially net interest income, is expected to grow.



25

Here is our consolidated financial forecast for the fiscal year ending March 31, 2011.

SFH's consolidated financial forecasts for the six months ending September 30, 2010 and for the fiscal year ending March 31, 2011, are unchanged from those announced on May 13, 2010.

Ordinary revenues for the year ending March 31, 2011, are expected to decrease slightly year on year, stemming from an expected decrease in investment income in the life insurance business compared with that of the previous fiscal year which reflected a recovery in financial market conditions, although three businesses are expected to steadily expand business operations.

We expect ordinary profit to decrease year on year, due mainly to a decrease in gains on sale of securities held and an increase in insurance claims and other payments in the life insurance business.

Sony Financial Holdings

Appendix

Appendix

Recent Topics (1)

Sony Financial Holdings

AEGON SONY LIFE INSURANCE Sales Update

AEGON Sony Life

Launch of sales：December 1, 2009

Common stock：¥20 billion (including capital surplus of ¥10 billion)

Equity ownership：Sony Life insurance Co., Ltd. 50%, AEGON･international B.V. 50%

Marketing products:
1) Winning Road (Variable Individual Annuity - Guaranteed Lifetime Withdrawal Benefit (GLWB) type)
2) My History (Variable Individual Annuity - Guaranteed Lifetime Withdrawal Benefit (GLWB) type)
3) Victory Run (Variable Individual Annuity - Guaranteed Minimum Accumulation Benefit (GMAB) type)

Sales Channels: Lifeplanner sales employees and affiliated Banks
(The Tokyo star bank, SMBC, Minato bank, Fukushima bank, Chiba Kogyo Bank) *As of Aug. 12, 2010

Sales results: Number of new policies: 171 policies, New policy amount: ¥1,555 million,
(FY10.1Q) Number of policies in force: 636 policies, Policy amount in force: ¥8,278 million,

Sony Bank's Mortgage Loans through Sony Life

Sony Life ⇔ Sony Bank

Sony Life accounts for 45% of the amount of new mortgage loans for FY10.1Q.

* Sony Life started handling banking agency business in Jan. 2008.

Sony Assurance's Auto Insurance Sold by Sony Life

Sony Life ⇔ Sony Assurance

Sony Life accounts for approx. 5% of new automobile policies for FY10.1Q.

* Sony Life started handling automobile insurance in May 2001.

(Recent topics (1))

Recent Topics (2)

<Recent Topics for and after FY10.1Q>

2010-4-1	AEGON Sony Life Insurance 's variable individual annuity product commenced to be offered at Minato Bank
	Sony Bank entered tie-up with Kintetsu Real Estate in mortgage loans
2010-4-12	Sony Assurance launched automobile insurance sales via Bank of Yokohama
2010-4-19	AEGON Sony Life Insurance 's variable individual annuity product commenced to be offered at Fukushima Bank
2010-5-1	Sony Life newly opened a branch in Yamagata prefecture to expand its service network through community-based approach
	Sony Assurance launched automobile insurance sales via Tama Shinkin Bank
	Sony Life commenced operations at LIPLA Co., Ltd., a wholly owned subsidiary of Sony Life, and opened the first one-stop shop "LIPLA".
2010-6-24	Sony Bank opened the first over-the-counter branch, called "Housing Loan Plaza.
2010-7-12	AEGON Sony Life Insurance 's variable Individual annuity product to be offered at Chiba Kogyo Bank
2010-7-26	Sony Bank launched foreign currency delivery service

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(Recent topics(2))

Sony Life: Fair Value Information on Securities

Sony Financial Holdings

Fair Value Information on Securities

●Fair value information on securities with market value (except trading-purpose securities)

(Billions of yen)

	09.6.30			09.9.30			09.12.31			10.3.31			10.6.30		
	Carrying amount	Fair value	Net unrealized gains/losses	Carrying amount	Fair value	Net unrealized gains/losses	Carrying amount	Fair value	Net unrealized gains/losses	Carrying amount	Fair value	Net unrealized gains/losses	Carrying amount	Fair value	Net unrealized gains/losses
Held-to-maturity securities	1,641.3	1,643.7	2.4	1,777.8	1,782.4	4.6	2,007.4	1,999.5	(7.9)	2,275.6	2,255.1	(20.4)	2,477.9	2,628.6	150.7
Available-for-sale securities	1,472.2	1,516.8	44.5	1,418.4	1,470.6	52.1	1,305.9	1,358.2	52.3	1,126.5	1,166.9	40.4	1,039.8	1,097.8	58.0
Domestic bonds	1,352.9	1,387.2	34.2	1,325.0	1,369.9	44.8	1,216.8	1,262.0	45.2	1,061.5	1,090.0	28.4	973.8	1,030.3	56.5
(CBs)	210.4	202.3	(8.0)	159.6	156.8	(2.7)	77.5	78.4	0.9	13.6	13.2	(0.3)	–	–	–
Domestic stocks	56.9	68.4	11.5	40.7	48.4	7.7	51.6	58.1	6.5	51.7	62.1	10.4	51.9	53.2	1.2
Foreign securities	54.9	52.8	(2.0)	47.4	46.0	(1.4)	32.3	31.6	(0.7)	8.0	8.0	(0.0)	2.0	2.0	0.0
Other securities	7.4	8.3	0.9	5.1	6.1	0.9	5.1	6.3	1.2	5.1	6.7	1.5	11.9	12.1	0.2
Total	3,113.5	3,160.5	47.0	3,196.2	3,253.0	56.8	3,313.4	3,357.8	44.3	3,402.1	3,422.1	19.9	3,517.8	3,726.5	208.7

●Valuation gains/losses of trading-purpose securities

(Billions of yen)

09.6.30		09.9.30		09.12.31		10.3.31		10.6.30	
Balance sheet amount	Net valuation gains/losses recorded in income	Balance sheet amount	Net valuation gains/losses recorded in income	Balance sheet amount	Net valuation gains/losses recorded in income	Balance sheet amount	Net valuation gains/losses recorded in income	Balance sheet amount	Net valuation gains/losses recorded in income
4.7	5.3	0.7	5.6	0.3	5.6	-	5.7	-	-

Notes:
1) Line item amounts are truncated below ¥100 million.
2) Amounts above include those categorized as "monetary trusts.

(Sony Life: Fair value information on securities)

Sony Life's Breakdown of Net Assets

Sony Financial Holdings

Net Assets on BS, Adjusted Net Assets and Solvency Margin

(Billions of yen)

	①Net Assets (B/S)		②Adjusted Net Assets		③Solvency Margin		
	10.3.31	10.6.30	10.3.31	10.6.30	10.3.31	10.6.30	Notes
Total shareholders' equity	177.3	180.5	177.3	180.5	170.3	179.9	③After estimated distributed income deducted
Net unrealized gains on other securities, net of taxes	15.4	26.2	15.4	26.2	–	–	
Net unrealized gains/ losses on available-for-sale securities	–	–	–	–	33.0	48.4	③Before tax x 90%
Land revaluation, net of taxes	(1.4)	(1.4)	(1.4)	(1.4)	–	–	
Reserve for price fluctuations	–	–	9.6	11.2	9.6	11.2	
Contingency reserve	–	–	48.4	49.2	48.4	49.2	
Reserve for possible loan losses	–	–	–	–	0.0	0.0	
Net unrealized gains on real estate	–	–	2.6	2.6	1.6	1.6	②Before tax (after revaluation) ③Before tax (Before revaluation) X85%
Excess of the amount equivalent to policy reserve under Zillmer method	–	–	316.5	319.3	316.5	319.3	
Unallotted portion of reserve for policyholders' dividends	–	–	2.3	2.7	2.3	2.7	
Future profits	–	–	–	–	1.0	1.0	
Deferred tax assets	–	–	–	–	47.2	52.9	
Net unrealized gains/ losses on held-to-maturity bonds	–	–	(20.4)	150.7	–	–	②Before tax
Deferred tax liabilities for available-for-sale securities	–	–	12.8	19.2	–	–	
Total	191.3	205.2	563.4	760.5	630.2	666.6	

※Adjusted net assets excluding net unrealized gains/losses on held-to-maturity securities and on policy reserve matching bonds, are ¥583.8 billion as of March 31, 2010, and ¥609.8 billion as of June 30, 2010.

Amounts are truncated below ¥100 million.

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(Sony Life's Breakdown of Net Assets)

Sony Life's Changes in Solvency Margin Ratio

Sony Financial Holdings

(Billions of yen)

Category	09.6.30	09.9.30	09.12.31	10.3.31	10.6.30
Total solvency margin (A)	572.4	600.7	625.6	630.2	666.6
Net assets (less certain items)	143.0	152.9	163.3	170.3	179.9
Reserve for price fluctuations	5.0	6.3	7.9	9.6	11.2
Contingency reserve	46.2	46.9	47.8	48.4	49.2
Reserve for possible loan losses	0.0	0.0	0.0	0.0	0.0
Net unrealized gains on other securities (before taxes) multiplied by 90% if gains or 100% if losses	34.7	41.6	43.0	33.0	48.4
Net unrealized gains on real estate multiplied by 85% if gains or 100% if losses	4.8	4.8	4.8	1.6	1.6
Excess of the amount equivalent to policy reserve under Zillmer method	305.5	309.4	312.8	316.5	319.3
Unallotted portion of reserve for policyholders' dividends	0.3	0.3	1.7	2.3	2.7
Future profits	–	–	–	1.0	1.0
Subordinated debt	32.5	38.1	44.0	47.2	52.9
Deferred tax assets	–	–	–	–	–
Deductible items	–	–	–	–	–
Total risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$ (B)	50.5	49.3	48.6	47.7	47.4
Insurance risk R1	18.7	18.8	19.0	19.1	19.4
Third-sector insurance risk R8	7.0	7.1	7.1	7.0	7.1
Assumed interest rate risk R2	11.2	11.2	11.3	11.3	11.4
Asset management risk R3	23.1	21.4	20.2	18.9	17.9
Business management risk R4	1.3	1.3	1.3	1.2	1.2
Minimum guarantee risk R7	7.4	7.6	7.8	8.0	8.3
Solvency margin ratio (A)/(1/2×(B))×100	2,264.3%	2,433.8%	2,570.9%	2,637.3%	2,810.0%

Amounts are truncated below ¥100 million.

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(Sony Life's changes in solvency margin ratio)

Sony Financial Holdings

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